

[Issuing Bank's Letterhead]

SAMPLE PERFORMANCE OR PAYMENT LETTER OF CREDIT FORM

Issue Date

IRREVOCABLE LETTER OF CREDIT NO.: _____

Account Party's Name: _____

Account Party's Address: _____

For Contract No. : _____ (for reference only)

TO: Beneficiary(U.S. Government Agency Beneficiary's
address

We hereby establish this irrevocable and transferable Letter of Credit in your favor for drawings up to United States \$_____. This Letter of Credit is payable at [our] [confirming bank's] office at [issuing bank's address] [confirming bank's address] and expires with [our] [confirming bank's] close of business on _____, **20**__.

We hereby undertake to honor your or transferee's sight draft(s) drawn on [us] [confirming bank], for all or part of this Credit if presented at the office specified in the above paragraph on or before the expiry date or any automatically extended expiry date.

It is a condition of this Letter of Credit that it is deemed to be automatically extended without amendment for one year from the expiry date hereof, or any future expiration date, unless at least 60 days, prior to any expiration date we notify you or the transferee by registered mail, or other receipted means of delivery, that we elect not to consider this Letter of Credit renewed for any such additional period. At the time we notify you we also agree to notify the account party [and confirming bank] by the same means of delivery.

This Letter of Credit is transferable. Transfers and assignments of proceeds are to be effected without charge to either the beneficiary, or the transferee/assignee of proceeds.

This Letter of Credit is subject to the Uniform Customs and Practice (UCP) for Documentary Credits, **1983** Revision, International Chamber of Commerce Publication No. 400, and to the extent not inconsistent therewith, the laws of the _____ [state of the confirming bank if any, otherwise state of the issuing bank] _____. If this Credit expires during an interruption of business as described in Article **19** of said Publication No. 400, the bank hereby specifically agrees to effect payment if this Credit is drawn against within 30 days after the resumption of business.

Very truly yours,

[Issuing bank]

[Confirming Bank's Letterhead]

_____, 20__

Our letter of credit Advice Number _____

Beneficiary:

Issuing Bank:

Issuing Bank's LC No.

Gentlemen:

We hereby confirm the above indicated letter of credit, the original of which is attached, issued by _____ [Name of issuing bank] _____ for drawings of up to United States Dollars _____ U.S/ \$ _____ and expiring with our close of business on _____ (the expiration date), or any automatically extended expiration date. It is a condition of this confirmation that it be deemed automatically extended without amendment for one year from the expiration date hereof, or any automatically extended expiration date, unless:

- A) At least sixty (60) days prior to any such expiration date we shall notify you or the transferee and the issuing bank, by registered mail or other receipted means of delivery, that we elect not to consider this confirmation extended for any such additional period.
- B) The issuing bank shall have exercised its right to notify you or the transferee, the account party, and ourselves, of its election not to extend the expiration date of the letter of credit.

Draft(s) drawn under the letter of credit and this confirmation are payable at our office located at _____.

We hereby undertake to honor draft(s) drawn under the letter of credit and this confirmation if presented at our offices as specified herein.

This confirmation is subject to the Uniform Customs and Practice for Documentary Credits (1983 Revision), International Chamber of Commerce Publication No. 400 (the "UCPW"), and to the extent not inconsistent therewith, the laws of the _____ [state of the confirming bank] _____.

If this confirmation expires during an interruption of business of this bank as described in Article 19 of the UCP, we hereby specifically agree to effect payment if drawn against under our confirmation within thirty (30) days after the resumption of our business.

Very truly yours,

[Confirming Bank]